



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

JUN 21 10 09 AM '06  
**SENSITIVE**

**MEMORANDUM**

JUN 21 2006

TO: The Commission

FROM: Lawrence H. Norton  
General Counsel

Richard B. Bader  
Associate General Counsel

Colleen T. Sealander  
Assistant General Counsel

Holly J. Baker  
Attorney

RE: Settlement Proposal in MUR 5648 – Broyhill for Congress, et al.

Recommendation: Accept the settlement proposal from the Broyhill Respondents calling for the admission of candidate liability and payment of a civil penalty of \$71,100.

This is a Millionaire's Amendment case involving J. Edgar Broyhill II, a candidate in the July 2004 Republican primary in North Carolina's 5<sup>th</sup> Congressional District, his principal campaign committee, Broyhill for Congress, and the committee's current treasurer ("the Broyhill Respondents"). In April the Commission found probable cause to believe that the Broyhill Respondents violated the Act and Commission regulations by filing the initial notification disclosing that Broyhill had exceeded the \$350,000 personal spending threshold ten days late, and by filing four other notifications of personal spending, totaling \$275,000 in candidate funds, between four and thirty days late over the course of the primary campaign. The Broyhill Respondents also underreported by \$1500 the aggregate amount of personal funds that Broyhill had expended on each of the 14 personal spending notifications that they did file, and failed to file altogether notification of a \$90,000 candidate loan made about a month before the election.

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For the reasons explained below, the Office of the General Counsel recommends that the Commission agree to accept the proposed conciliation agreement.

**I. Discussion**

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## **II. Recommendations**

1. Accept the proposed signed Conciliation Agreement from the Broyhill respondents attached hereto.
2. Close the file.
3. Approve the appropriate letters.

**Attachment:**

Proposed signed Conciliation Agreement